

Geneviève M. Clavreul, Ph.D.

PO Box 867
Pasadena, CA 91102-0867
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December 10, 2012

The Honorable Michael Antonovich
Supervisor – Fifth District
Board of Supervisors
County of Los Angeles
500 West Temple Street, 8th Floor
Kenneth Hall of Administration
Los Angeles, CA 90012

Dear Supervisor Antonovich:

Under the California Public Records Act section 6253(a), I request access to; and under California Public Records Act sections 6256 and 6257, I request an appointment to review a copy of:

- Review all documents, including but not limited to memos, letters, emails, minutes, budgets and so forth, regarding the Martin Luther King Jr., Healthcare Corporation.

My mailing address is PO Box 867, Pasadena, CA 91102-0867. I can be reached at (626) 844-7812, Monday through Friday.

Sincerely,

Geneviève M. Clavreul
Printed Name

Signature

November 2, 2007
Date



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

April 24, 2012

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

STATUS REPORT ON IMPLEMENTATION OF THE COORDINATION AGREEMENT BETWEEN THE COUNTY AND THE REGENTS OF THE UNIVERSITY OF CALIFORNIA REGARDING THE NEW MARTIN LUTHER KING, JR. HOSPITAL

On July 13, 2010, your Board approved the Coordination Agreement between the County and the Regents of the University of California (UC), which memorialized the County and UC commitments regarding our respective roles in establishing the new private, nonprofit Martin Luther King, Jr. (MLK) Hospital. On August 10, 2010, in conjunction with the UC and consistent with the terms of the Coordination Agreement, your Board approved the appointment of the seven members of the Board of Directors (MLK Board) for the new private, nonprofit MLK Hospital, incorporated as the Martin Luther King, Jr.-Los Angeles (MLK-LA) Healthcare Corporation.

This report summarizes and provides a status of the work this Office and the Department of Health Services (DHS) have engaged in, during the intervening period, with the MLK Board and its Interim Chief Executive Officer to address the commitments in the Coordination Agreement. These include the County's commitment to provide a physical plant through a lease of hospital property and buildings and to supply financial support to establish and support ongoing hospital operations.

Property and Building Commitments; Construction Project Status

On April 19, 2011, your Board approved the CEO's recommendations related to Capital Project No. 88945, which enabled the County to proceed with the design and construction of the MLK Inpatient Tower (IPT) Renovation Project. The scope of the IPT Project is to renovate approximately 194,000 square feet of the existing six-story,

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- \$50.0 million – ongoing annual intergovernmental transfer (IGT) to the State for Medi-Cal purposes to draw down federal matching revenue;
- \$13.3 million – ongoing annual support for indigent care services; and
- \$100.0 million - letter(s) of credit which must be acquired and retained, for at least six years, available beginning 30 days before the opening of the hospital, to be accessed in the event that the County does not make its ongoing annual IGT. The UC and County agree to review at the fifth year if the letter(s) should be maintained for a longer period.

Specifically, with respect to the IGT, the changes to the financial landscape caused by the State's most recent 1115 Waiver and health care reform have a significant impact on the financing model that was developed initially for the hospital. While we expect that an updated model will still prove financially viable, the details of it are currently under review by DHS, and revisions to the Coordination Agreement's requirements may be necessary.

Next Steps

We are continuing to work with DHS and County Counsel on the structure of the Agreements needed to memorialize the commitments between the County and the MLK Board, the State and, to the extent needed, with the UC.

We will provide additional status reports, as needed, but at least quarterly, with our next report targeted for June 2012.

If you have any question regarding this matter, please contact Sheila Shima at (213) 974-1160 or sshima@ceo.lacounty.gov.

WTF:SAS:MLM
MM:hd

c: Executive Office, Board of Supervisors
Auditor-Controller
County Counsel
Health Services
Mental Health



County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
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WILLIAM T FUJIOKA
Chief Executive Officer

September 7, 2011

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: William T Fujioka
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

**MARTIN LUTHER KING, JR. HEALTHCARE CORPORATION – AMENDMENT #1 TO
THE SERVICES PLEDGE AND FUNDING AGREEMENT**

This is to advise your Board that the Chief Executive Officer (CEO) is exercising its delegated authority, as approved by your Board on March 8, 2011, to execute Amendment #1 to the Services Pledge and Funding Agreement (Funding Agreement) with the Martin Luther King, Jr. Healthcare Corporation (MLK Healthcare) to provide annual funding payments in accordance with the Coordination Agreement. Your Board delegated the approval of \$10 million annual payment amounts for four consecutive years (Fiscal Years 2011-12 thru 2014-15), provided that funds are approved by your Board through the County's budget process; approval by County Counsel is obtained prior to any such amend; and the CEO notifies your Board in writing within 30 days before execution of each amendment.

Amendment #1 will allow the CEO to provide the second annual payment for start-up costs under the Funding Agreement with MLK Healthcare for operating expenses and continue efforts necessary for the establishment of the new private, nonprofit, Martin Luther King, Jr. Hospital (MLK Hospital). The second annual payment of \$10 million is reflected in the 2011-12 Recommended County Budget approved by your Board on April 19, 2011. With the addition of the mentioned amended provisions for Fiscal Year (FY) 2011-12 to the Funding Agreement, the remaining contractual requirements of the Funding Agreement amendment are fully in effect. Further, the MLK Healthcare Board will submit an annual itemized report of all expenditures financed by the County funds, with detail for expenditures in excess of \$50,000, as specified in the Funding Agreement. The CEO anticipates receiving the first report by October 31, 2011.

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Each Supervisor
September 7, 2011
Page 2

On May 12, 2011, this Office provided your Board with the agreed budget process on how the start-up funds will be transmitted to the MLK Healthcare. Subsequently, MLK Healthcare submitted the attached document for payment of the second annual installment of start-up funds designated under the Coordination Agreement between the County and the Regents of the University of California for FY 2011-12. The CEO is reviewing this request to ensure it is consistent with the provisions of the Coordination Agreement and the requirements as provided for in the Funding Agreement with MLK Healthcare. Amendment #1 to the Funding Agreement will be reviewed and approved as to form by County Counsel, and consistent with your Board's action of March 8, 2011, the CEO will execute it by October 7, 2011.

Please contact me if you have any questions, or your staff may contact Sheila Shima, Deputy Chief Executive Officer, at (213) 974-1160.

WTF:SAS
MLM:AMT:bjs

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Health Services

090711_HMHS_MBS_MLK Amendment 1

Martin Luther King Jr. - Los Angeles (MLK - LA) Healthcare Corporation
ESTIMATED SECOND YEAR START-UP FUNDING

For the fiscal year beginning July 1, 2011

| | 6/30/2012 ⁽¹⁾ | |
|---|---------------------------------|--------------------------|
| | Budget Est. | |
| Start-up costs: | | |
| Salaries and benefits | | 1,428,167 |
| Services and Supplies | | |
| Consultants | 659,280 | |
| Legal Fees | 660,100 | |
| Audit, Tax, Accounting Fees | 98,000 | |
| Insurance | 40,000 | |
| Rent | 105,000 | |
| Meals & Travel | 37,000 | |
| Office Supplies | 9,000 | |
| Communications/Outreach and Relations | 1,250 | |
| Postage | 1,015 | |
| Fiscal Intermediary Fees | 84,294 | |
| Total Services and Supplies | | <u>1,694,939</u> |
| Total Start-Up Costs | | 3,123,106 |
| Hospital Equipment Reserves/Deposits/Capital purchases | | 16,876,894 |
| TOTAL RESERVES/DEPOSITS FOR CAPITAL AND START UP COSTS | | <u><u>20,000,000</u></u> |

(1) The amounts specified are estimates and subject to change. The amounts held in reserve will be utilized as start up funds for the establishment of the new, private nonprofit MLK hospital, and as the development of the hospital continues to move forward. Due to the timing of this start up, not all costs are specifically known as the time of this funding. It is the intent of the MLK Board of Directors to prudently invest and manage these funds until such time as their use becomes evident. The MLK Board will comply with all terms of the Funding Agreement.



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

May 12, 2011

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: William T Fujioka
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

MARTIN LUTHER KING, JR. - LOS ANGELES HEALTHCARE CORPORATION - ANNUAL REPORTING PROCESS FOR ONE-TIME START-UP FUNDS

On March 8, 2011, your Board instructed the Chief Executive Officer (CEO) to discuss with the Martin Luther King, Jr. – Los Angeles Healthcare Corporation Board of Directors (MLK Healthcare Board) an annual budget reporting mechanism so your Board is informed on how the funds will be utilized.

As directed, this Office met with the Chair and members of the MLK Healthcare Board. We agreed the budget would be provided to this Office as part of the process by which the funds approved by your Board will be transmitted. We also agreed that a written request will be submitted to this Office, on behalf of the County, which will include a budget developed by the MLK Healthcare Board for funds to be transmitted. The written request and budget will be reviewed by this Office to ensure that it is consistent with the provisions of the Coordination Agreement between the County and the Regents of the University of California. This budget will then be forwarded to your Board.

In accordance with this process, the MLK Healthcare Board has submitted the attached document for the use of funds designated under the Services Pledge and Funding Agreement (Funding Agreement) for fiscal year (FY) 2010-11. Future requests will be similar in format.

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Each Supervisor
May 12, 2011
Page 2

After your Board has approved the respective annual County Budget for each FY 2011-12 through 2014-15, this Office will amend the Funding Agreement for each respective fiscal year, pursuant to the authority delegated by your Board. Additionally, as further directed by your Board, written notification will be provided to your Board 30 days before execution of each amendment to the Funding Agreement.

In addition, as provided for in the Funding Agreement, the MLK Healthcare Board will submit to this Office, on an annual basis, an itemized report of all actual expenditures funded by monies received under the agreement, with detail for expenditures in excess of \$50,000. The first report will be due by October 31, 2011, which is 120 days after the end of the fiscal year, for expenditures in FY 2010-11. Subsequent annual reports will be due by October 31 of the respective fiscal year. This information will be presented to your Board upon receipt.

If you have any questions, please contact me or your staff may contact Sheila Shima, Deputy Chief Executive Officer, at (213) 974-1160.

WTF:SAS
MLM:MM:gl

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Health Services

051211_MLK HEALTHCARE ANNUAL REPORTING

Martin Luther King Jr. Healthcare Corporation
ESTIMATED ALLOCATION OF FIRST YEAR START-UP FUNDING
4/20/2011
For the twelve months beginning May 1, 2011

| | | |
|--|--------|-------------------|
| Hospital Equipment/start-up * | \$ | 7,350,000 |
| Other identified Start up costs: | | |
| Set Up Office | | |
| Rent | 84,000 | |
| Equipment | 10,000 | |
| Build-out | 50,000 | |
| Telephones | 15,000 | |
| Build-out | 10,000 | |
| Utilities | 12,000 | |
| Admin assistant | 50,000 | |
| Subtotal - office set up | | 231,000 |
| Liability, Business, and Directors and Officers Liability Insurance | | 143,000 |
| Executive Recruitment | | 132,000 |
| Salaries | | 1,064,000 |
| Legal Services | | 400,000 |
| Community Needs Assessment and Care Delivery Planning | | 340,000 |
| Community Outreach and Relations | | 240,000 |
| Auditor | | 100,000 |
| TOTAL | \$ | <u>10,000,000</u> |

* - Note: The amounts specified are estimates and subject to change. Due to the timing of this start up, not all costs are specifically known at this time. The timing of the purchase of equipment and other start up costs will be determined as the start up of the hospital continues to move forward. These funds will be held in reserve and it is the intent of the Board of Directors to prudently invest and manage these funds until such time as their use becomes evident. The Board will comply with all terms of the Funding Agreement.



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

March 1, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**APPROVAL OF THE SERVICES PLEDGE AND FUNDING AGREEMENT WITH THE
MARTIN LUTHER KING, JR. HEALTHCARE CORPORATION FOR THE NEW
PRIVATE, NONPROFIT MARTIN LUTHER KING, JR. HOSPITAL
(SECOND DISTRICT AFFECTED) (3 VOTES)**

SUBJECT

Approval of the Services Pledge and Funding Agreement with the
Martin Luther King, Jr. Healthcare Corporation for the new private, nonprofit hospital.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and delegate authority to the Chief Executive Officer to execute the Services Pledge and Funding Agreement with the Martin Luther King, Jr. Healthcare Corporation in the amount of up to \$10 million to maintain and fund the necessary account to be used for expenses related to the new private, nonprofit Martin Luther King, Jr. Hospital (Exhibit I). The total maximum start-up fund amount will be \$50 million to be budgeted, \$10 million for each of the five consecutive fiscal years, beginning July 1, 2010.
2. Delegate authority to the Chief Executive Officer to prepare and execute amendments to the Services Pledge and Funding Agreement with the Martin Luther King, Jr. Healthcare Corporation for the next four consecutive years (fiscal years 2011-12 thru 2014-15), provided that: 1) funds, in \$10 million annual payment amounts, are approved by your Board through the County's budget process; 2) approval by County Counsel is obtained prior to any such amendment; and 3) the Chief Executive Officer notifies your Board in writing within 30 days after execution of each amendment.

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On July 13, 2010, your Board approved the Coordination Agreement which defines the County and the Regents of the University of California (UC) commitments regarding their respective roles in the opening of the new private, nonprofit Martin Luther King, Jr. (MLK) Hospital. Additionally, on August 10, 2010, your Board approved the appointment of the MLK Hospital Board of Directors. They have established the Martin Luther King, Jr. Healthcare Corporation (MLK Healthcare) as a private, nonprofit California corporation.

The recommended actions will allow the Chief Executive Officer (CEO) to execute the Services Pledge and Funding Agreement (Funding Agreement) with MLK Healthcare to provide the first of five annual payments in accordance with the Coordination Agreement. Additionally, authority is delegated to the CEO to prepare and execute amendments to provide for the second through fifth annual payments provided that funds, in \$10 million annual payment amounts, are approved by your Board through the County's annual budget process. County Counsel approval and written notification to your Board is required.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The maximum obligation under this agreement for Fiscal Year 2010-11 is \$10 million, which was previously approved by your Board in the 2010-11 Final Budget. Start-up funding of \$10 million will be requested annually in future fiscal years, up to a total maximum amount of \$50 million, in accordance with the Coordination Agreement.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

As noted, on July 13, 2010, your Board approved the Coordination Agreement with the UC for the establishment of the new private, nonprofit MLK Hospital, which identified the County and UC commitments regarding their respective roles in the opening of the hospital. Specifically, the Coordination Agreement includes certain funding commitments by the County and a commitment by the UC to provide physician leadership.

The Funding Agreement memorializes the important terms, previously approved by your Board, and includes other minor provisions necessary to effectuate those terms between the County and MLK Healthcare to establish start-up funding necessary for operating expenses related to the opening of the new private, nonprofit MLK Hospital. Operating expenses include the hiring of consultant services and staff, as well as purchasing of equipment and supplies.

Under the terms of the Coordination Agreement, the County will provide to MLK Healthcare one time start-up funding in the total amount of \$50 million, to be provided annually in the amount of up to \$10 million per year, subject to the County's annual budget process, over five consecutive fiscal years. Access to the available funds will be provided to MLK Healthcare within ten (10) days of written receipt of request to the County for specified amounts until the funds are exhausted. Any unspent or unencumbered funds will be available in the subsequent fiscal year(s).

The Funding Agreement is effective upon execution by both parties, with the funding commitment continuing until MLK Healthcare has requested and the County has disbursed all start-up funds approved by your Board through the County's budget process or until expiration or termination of the Coordination Agreement. Upon early termination of the Funding Agreement, any unspent or unencumbered start-up funds must be returned to the County.

County Counsel has reviewed and approved Exhibit I as to form.

Once your Board has approved, through the County's annual budget process, the four remaining subsequent payments for fiscal years 2011-12 thru 2014-15, the CEO will prepare and execute amendments to the Funding Agreement. Such amendments will require the review and approval by County Counsel, as well as written notification to your Board within 30 days after execution of each amendment.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

MLK Healthcare intends to open, establish, license, and operate a general acute care hospital on the campus of the previously closed Martin Luther King, Jr.-Harbor Hospital.

The Honorable Board of Supervisors
March 1, 2011
Page 4

Start-up funds will assist MLK Healthcare with the resources necessary to fulfill the terms of the Coordination Agreement, for the purpose of establishing the new private, nonprofit MLK Hospital, to serve the residents of the South Los Angeles community, including the indigent, Medi-Cal and other needy and underserved populations.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SAS
MLM:AMT:gl

Enclosure

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Health Services

030111_HMHS_BL_MLK HEALTHCARE SERVICES PLEDGE AND FUNDING AGRMT

**SERVICES PLEDGE AND FUNDING AGREEMENT
REGARDING
THE NEW PRIVATE, NONPROFIT, MARTIN LUTHER KING, JR., HOSPITAL**

THIS AGREEMENT is made and entered into this ____ day of ____, 2011.

BY COUNTY OF LOS ANGELES, a body corporate and
 politic, and a subdivision of the State of California,
 (hereinafter "County"),

AND Martin Luther King, Jr. Healthcare Corporation, a nonprofit
 public benefit corporation (hereinafter "MLK Healthcare").

WHEREAS, on or about July 13, 2010, the County and the Regents of the University of California, a Constitutional corporation authorized in Article IX, section 9 of the California Constitution (hereinafter "UC") entered into a Coordination Agreement for the Establishment of an Acute Care Hospital (hereinafter "Coordination Agreement");

WHEREAS, under the terms of the Coordination Agreement, the County desires to have healthcare provided to the indigent, needy and underserved populations of the County and in consideration for the performance by the UC of certain obligations, the County agreed, among other things, to provide funding to a private non-profit corporation that would be capable to provide such services through such non-profit's establishing and maintaining an acute care hospital with an emergency department on the campus of the closed Martin Luther King, Jr.-Harbor Hospital;

WHEREAS, the funding obligations of the County under the Coordination Agreement include the promise to provide one time start up funding in the total amount of Fifty Million Dollars (\$50,000,000) to be funded to the non-profit corporation on an annual basis in the amount of Ten Million Dollars (\$10,000,000) each of the five consecutive fiscal years beginning in July 1, 2010, for the necessary expenses related to opening the hospital;

WHEREAS, MLK Healthcare is a non-profit public benefit corporation with its primary purpose to provide high quality hospital inpatient, outpatient, and emergency health care and such additional health care services as are desirable to meet the needs of the South Los Angeles community, which includes indigent, Medi-Cal, needy, and underserved populations, among others;

WHEREAS, MLK Healthcare intends to open, establish, license and operate a general acute care hospital on the campus of the previously closed Martin Luther King, Jr.-Harbor Hospital, which will provide healthcare services and community outreach and education to the South Los Angeles community;

WHEREAS, pursuant to Government Code section 26227, the County is authorized to provide annual funding in the amount of Ten Million Dollars (\$10,000,000) in accordance with and subject to the terms of this Agreement for the purpose of establishing an acute care hospital with an emergency department to serve indigent, Medi-Cal and other needy populations for the South Los Angeles community; and

WHEREAS, MLK Healthcare desires to accept such funding, understanding that it is conditioned on its agreement to meet certain conditions relating to providing care for the South Los Angeles community, which includes indigent, Medi-Cal, and underserved populations as set forth in this Agreement.

NOW, THEREFORE, as authorized by section 26227 of the Government Code and in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereto agree as follows:

A. Approved Funding, Requests and Disbursements

1. Effective upon the execution of this Agreement, the County hereby agrees to provide MLK Healthcare start up funding in the amount of Ten Million Dollars (\$10,000,000), which shall be immediately available (collectively, "Start-Up Funds").
2. MLK Healthcare agrees that the Start-Up Funds shall be used for necessary expenses related to opening an acute care hospital with an emergency department located on the campus of the closed Martin Luther King, Jr.-Harbor Hospital. Such expenses may include, but are not limited to, purchasing consultant services, and acquiring staff, equipment and supplies. Such funding may also be used as supplemental funding for operating expenses incurred during the period before such hospital is operating at full capacity.
3. To receive Start-Up Funds, MLK Healthcare must submit a request in writing to County, which shall specify the amount requested (the aggregate of all such requests will not exceed the total Start Up Fund amount set forth in Section A. 1. above). The County shall disburse the requested amount to MLK Healthcare within ten (10) days of County's receipt of the written request, with the aggregate of all such disbursements not to exceed the total Start-Up Funds set forth in Section A.1. above. In order to ensure prompt access to necessary funds, MLK Healthcare shall have the express right to request and retain funds in a prior fiscal year that it has budgeted to use in a future fiscal year, subject to the provisions of section E below.
4. It is understood and agreed that any funds disbursed to MLK Healthcare under this Agreement may only be used for the purposes specified in this Agreement. In furtherance of this understanding, it is agreed that, should the County, in good faith, determine that any funds paid to the MLK

Healthcare under this Agreement have been used for purposes other than those so authorized, MLK Healthcare is required to promptly refund any such improperly used funds to the County; provided, however, if MLK Healthcare disputes such determination, the parties shall meet to mediate the dispute within fifteen (15) days of the County being informed that MLK Healthcare does not accept County's determination. If the County and MLK Healthcare are unable to resolve the dispute through mediation, the County and MLK Healthcare shall determine the issue through the following arbitration procedure (the "Arbitration Procedure"): the County and MLK Healthcare shall select a reputable and qualified arbitrator or arbitration company (the "Arbitrator") to make a final determination to resolve the dispute, which Arbitrator's determination shall be binding on both parties. If the parties are unable to agree to the Arbitrator to use for the review, each party shall select an arbitrator and those two arbitrators shall select a third arbitrator or arbitration company within ten (10) days, which third arbitrator shall serve as the Arbitrator and whose decision shall then be binding on both parties. The arbitration shall be private and confidential and the results of the arbitration shall be kept confidential to the extent permitted by law. Each party shall equally bear the costs of the Arbitrator, but shall be responsible for their own costs associated with the arbitration. Except as set forth in this Paragraph, discovery by the parties shall be conducted in accordance with Chapter 3 of Title 9 of Part 3 of the California Code of Civil Procedure.

B. Establishment of Acute Care Hospital with Services to the Underserved

MLK Healthcare agrees to undertake those efforts necessary to fulfill the terms of this Agreement for the purpose of establishing an acute care hospital with an emergency department on the campus of the closed Martin Luther King, Jr.-Harbor Hospital to serve the residents of the South Los Angeles community, including the indigent, Medi-Cal and other needy and underserved populations.

C. Effective Date and Agreement Term

Except as set forth below, this Agreement will become effective upon execution by the parties and remain in force until MLK Healthcare has expended all Start-Up Funds. Except as otherwise specified below, this Agreement shall terminate upon expiration or termination of the Coordination Agreement.

D. Financial Records

1. MLK Healthcare agrees to maintain satisfactory financial accounts, documents and records of expenditure of the Start-Up Funds. MLK Healthcare also agrees to retain such financial accounts, documents and records for five (5) years following termination of this Agreement.

2. MLK Healthcare agrees to use a generally accepted accounting system for, and make available for County inspection at reasonable times, those documents to be maintained pursuant to this Agreement.
3. At any time during the term of this Agreement or at any time within five (5) years of the expiration or prior termination of this Agreement, authorized representatives of the County may conduct an audit of MLK Healthcare records for the purpose of verifying appropriateness and validity of expenditures of Start-Up Funds under the terms of this Agreement.
4. MLK Healthcare, within thirty (30) days of notification from the County of its audit findings, may dispute the audit findings in writing to the County and provide the County with records and/or other documentation to support the expenditure claims. If the County does not agree with MLK Healthcare's dispute of the audit findings, the parties shall meet to mediate the dispute within then fifteen (15) days of the County being informed that MLK Healthcare does not accept audit findings. If the County and MLK Healthcare are unable to resolve the dispute through mediation, the County and MLK Healthcare shall resolve the dispute under the Arbitration Procedure described above in Section A. 4.
5. MLK Healthcare will provide the County Chief Executive Office on an annual basis, and within one hundred twenty (120) days after the termination or early termination of this Agreement, a report itemizing all actual expenditures funded by monies received pursuant to this Agreement. This report shall include itemization and detail regarding any specific material expenditures in excess of \$50,000.00.
6. MLK Healthcare shall provide copies, as soon as reasonably possible following availability, of its filings relating to tax-exempt and charitable status to the County upon prior written request, which filings include the CT-1 Form (Initial Registration), RRF-1 (Renewal Report) or CT-694 (Annual Financial Solicitation Report) with the California Attorney General's Registry of Charitable Trusts and the Form 1023 (Application for Exemption) and Form 990 (Annual Return) with the IRS.
7. The provisions of this Paragraph D shall survive the expiration or termination of this Agreement.

E. Unspent Start-Up Funds

Upon expiration or early termination of this Agreement for whatever reason, if MLK Healthcare has not spent or encumbered any portion of the Start-Up Funds, MLK Healthcare shall return to the County those unspent or unencumbered funds. This Paragraph E shall survive the expiration or termination of this Agreement.

F. Indemnification

MLK Healthcare shall indemnify, defend and hold harmless County, its special districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including reasonable attorney and expert witness fees), arising from or connected to all acts and/or omissions of MLK Healthcare arising from or relating to this Agreement.

County shall indemnify, defend and hold harmless MLK Healthcare, its directors and officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including reasonable attorney and expert witness fees), arising from or connected to all acts and/or omissions of County arising from or relating to this Agreement.

This Paragraph F shall survive the expiration or termination of this Agreement.

G. Notices and Other Documents to be Delivered

All notices and all other documents to be provided from one party to the other party shall be directed to and made by the following representatives of the parties:

To the County:

Sheila A. Shima
Deputy Chief Executive Officer
726 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012
(213) 974-1160

To MLK Healthcare:

To its Board of Directors at:

12021 Wilmington Avenue (currently under construction)
Los Angeles, CA 90059

Mailing Address:

Box 323
310 N. Indian Hill Boulevard
Claremont, CA 91711

To its Agent of Service of Process as indicated in its latest Statement of Information (for any litigation matters)

With a Copy to:

David A. Hatch
Hooper, Lundy & Bookman, P.C.
1875 Century Park East, Suite 1600
Los Angeles, CA 90067

H. Severability

If any provision of this Agreement, or the application thereof, is held to be invalid, that invalidity shall not affect other provisions or applications of the Agreement that can be given effect without the invalid provision or application, and to this end the provisions of the Agreement are severable.

I. No Third Party Beneficiaries

There are no third party beneficiaries to this Agreement.

J. Governing Law and Jurisdiction

This Agreement shall be governed by, and construed in accordance with the laws of the State of California. The parties each agree and consent to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement.

K. Independent Contractors

The parties are and at all times shall be independent contractors with respect to each other and in meeting their duties and responsibilities under this Agreement. Nothing in this Agreement is intended nor shall be construed to create a delegated, partnership, employer-employee or joint venture relationship between

County and MLK Healthcare. MLK Healthcare is a fully independent entity and the County shall have no control over MLK Healthcare as result of this Agreement or otherwise.

L. Assignment

Neither party shall assign this Agreement without the other parties' prior written consent, which consent may be given or withheld in such party's sole discretion.

M. Amendments

This agreement may be amended upon mutual execution of an amendment by the parties.

IN WITNESS WHEREOF, MLK Healthcare has executed this Agreement, or caused it to be duly executed by its authorized representative, and the County of Los Angeles by order of its Board of Supervisors, has delegated to its Chief Executive Officer the authority to execute this Agreement on its behalf on the date and year written below.

"MLK Healthcare"

**Martin Luther King, Jr.-Los Angeles
Healthcare Corporation**

By

Manuel Abascal
Chair

Date

"COUNTY"

County of Los Angeles

By

William T Fujioka
Chief Executive Officer

Date

APPROVED AS TO FORM FOR THE COUNTY:
ANDREA SHERIDAN ORDIN
County Counsel

By

Principal Deputy

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Manny Abascal

[This is me](#)

Principal

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Los Angeles, CA

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We have Manny Abascal listed as the Principal of Martin Luther King Jr -Los

Angeles (Mk-La) Health, which is listed under Health Services in Los Angeles, CA.

About Manny Abascal

So far, Manta has 1 contact for Martin Luther King Jr -Los Angeles (Mk-La) Health in Los Angeles, CA. Do you work with Manny Abascal? [Join Manta](#) and connect yourself to this company.

Estimates show Martin Luther King Jr -Los Angeles (Mk-La) Health employs 2 people and has an annual revenue of \$90,000.

Visit the company profile for [Martin Luther King Jr -Los Angeles \(Mk-La\) Health](#) to see more contact information about the company or purchase D&B background and financial reports.

Similar Professionals



[William Fujioka](#)

Principal of La Health Action
Los Angeles, CA



[Paul Scott](#)

Principal of Los Angeles Wellness Center
Los Angeles, CA

Manny works at:

[Martin Luther King Jr -Los Angeles \(Mk-La\) Health](#)

355 S Grand Avenue
Los Angeles, CA 90071-1560 [map](#)

Phone: (213) 624-7715

About:

Martin Luther King Jr -Los Angeles (Mk-La) Health in Los Angeles, CA is a private company which is listed under health services. Current estimates show this company has an annual revenue of \$90,000 and employs a staff of 2.

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South L.A. frustrated by delays in building new King hospital

The replacement for the troubled King/Drew Medical Center, originally seen as opening in 2010, now won't be ready until 2014. Some patients travel quite a distance for inpatient and emergency care.

By Anna Gorman, Los Angeles Times

December 1, 2012

Earlier this year, Joane Austin rushed her elderly mother to the emergency room for fear she was having a heart attack.

advertisement

Austin normally would have made the short trip to Martin Luther King Jr./Drew Medical Center, the landmark hospital in South Los Angeles. But King/Drew has been closed for five years, so Austin drove several miles to the emergency room at Centinela Hospital Medical Center in Inglewood.

"I prayed all the lights would stay green," she said. "It was scary."

Once they arrived, doctors determined that Austin's mother needed emergency surgery to remove scar tissue around her intestines.

For years, King/Drew provided emergency, trauma and inpatient care to residents from throughout South Los Angeles. After a series of medical errors resulted in patient deaths, Los Angeles County closed it in 2007. County officials promised the community a better, safer new medical center in a few years.

But the opening has been repeatedly delayed, and the community is still waiting. Originally, officials hoped to have the new facility ready by 2010. Then it was pushed to 2012. Now, officials say they plan to have construction completed next year and the hospital opening its doors in 2014.

Without a nearby hospital, patients have had to travel to such places as Bellflower, Inglewood and Long Beach for emergency room and inpatient care.

Several local hospitals — California Hospital Medical Center, L.A. County/USC Medical Center and Harbor-UCLA Medical Center — received an influx of former King patients after the closure. The closest hospital, St. Francis Medical Center in Lynwood, reported an increase of 20% to 30% in emergency room

visits since King/Drew closed, though other factors also may have contributed to the rise.

Getting to other hospitals has presented a challenge for many in the low-income neighborhood, said William Hobson, president and chief executive of the Watts Healthcare Corp. "Just the fact that it is a long way away may discourage them from going," he said.

The closure of King/Drew, which was born out of the Watts riots and opened in 1972, created a healthcare gap in a community where rates of chronic disease are high and vast swaths of the population lack insurance, said David Carlisle, president of the adjacent Charles R. Drew University of Medicine and Science. South Los Angeles has a shortage of doctors, inpatient beds and outpatient services, according to both experts and research.

Despite King/Drew's many medical lapses, which earned it the nickname "Killer King," many in the community remained fiercely loyal to the hospital and the services it provided.

Studies examining the impact of King/Drew's closure found that it led to delays in care for elderly blacks and Latinos and a dramatic increase in patient admissions at other trauma centers. Physicians throughout the county also reported more overcrowding in other emergency rooms and said they saw sicker patients who didn't know where to go or couldn't afford transportation elsewhere.

"It is fearful to think about how many lives may have been saved had this thing been opened by now," said Lark Galloway-Gilliam, executive director of the advocacy group Community Health Councils. "It shouldn't take five years to build a facility."

Patrick Wooten, 49, went to St. Francis when he had a dislocated kneecap a few years ago. Wooten, who is uninsured, said he received good care at the private hospital but then got a \$3,200 bill. Wooten said he is frustrated that the new King hospital still hasn't opened and won't until 2014. "What you do until then, God only knows," he said. "Hopefully we can wait it out."

Last year, Sandira Gonzalez, 29, took her 5-year-old son to the Martin Luther King urgent care center when he had a fever. But when the center closed for the night, her son had to be taken by ambulance to Harbor-UCLA near Torrance, where he was treated for an infection.

Community members and advocates said they are disappointed by the long wait, caused by a combination of bureaucratic delays and the complexity of the project. But when it does open, they said, they are hopeful that it will be a better, and safer, hospital.

The county is building the hospital and will help support it financially but will not be responsible for day-to-day operations. Instead, an independent, nonprofit organization will run the facility, to be known as Martin Luther King Jr. Community Hospital, and the University of California will help staff it and ensure the quality of patient care. Construction is progressing, but the grand opening may still be nearly two years away.

"It will be a significantly different kind of institution, with the right kind of accountability," said Robert K. Ross, president and chief executive of the California Endowment. "Now we just need the institution to open up on budget and on time."

Los Angeles County Supervisor Mark Ridley-Thomas said it takes time to create a state-of-the-art

hospital — and a whole medical complex — that could become a model for others around the nation. "A lot of eyes are on this," he said. "We want to do this well and we want to do it right.... Nothing else is acceptable."

The nonprofit's board recognizes how critical the facility is to the area, said board President Manny Abascal. "Every day this hospital is not open, people are suffering," he said. At the same time, he added, the board is committed to ensuring that the new hospital is a high-quality institution. "If you open it ... and there are some of the same problems you had before, then it's going to be devastating," he said.

Los Angeles City Councilman Bernard C. Parks, who ran for supervisor against Ridley-Thomas in 2008, said the long wait for the hospital is a "tragedy" for the residents of South Los Angeles. "Promises were not fulfilled," he said.

Ridley-Thomas said that conducting a land assessment and creating a master plan for the area slowed the process. Negotiations between the county and UC also took longer than expected, because the UC regents wanted to ensure that they were not putting the system at financial risk.

The agreement between UC and the county was signed in 2009, and the nonprofit's board was selected. Instead of hiring Kaiser Permanente or another established operator, the board decided to set up the hospital itself, making all of the decisions from start to finish.

Deciding on the design also took time, with differing opinions on the size and what the hospital should include.

The five-story inpatient tower will be smaller than the old facility, with only 131 beds instead of the previous 233. There will be an emergency room, an intensive care unit, radiology, surgery suites, inpatient rooms and labor and delivery areas, but no trauma center.

The hospital also plans to include health education and outreach programs to focus on prevention and target the rising obesity and diabetes rates in the community. "If you can keep the population healthy and keep them out of the hospital, that's better than having a huge hospital that people go to only because they don't have anywhere else to go," Abascal said.

Construction of the inpatient tower, which is costing more than \$237 million, was supposed to finish this year but now won't be done until 2013, said David Howard, assistant deputy director of the county Department of Public Works. Howard said he wasn't happy about the delay but knew from the start that the schedule was aggressive and the project complicated.

The new hospital will be at 120th Street and Wilmington Avenue, in a reconstructed building that was part vacant and part used for trauma and other hospital services.

Aside from the construction, there is still much to be done before the hospital can open, including hiring staff, buying equipment, getting licensed and raising additional funds, said Elaine Batchlor, chief executive of the new hospital. She and the board also plan to continue working with physicians and clinics in the area. And they must do all of this in the midst of some of the most complicated changes to healthcare delivery, set in motion by the federal health law that takes effect in 2014.

Opening a hospital is a "complicated process," said John Stobo, UC's senior vice president for health

sciences and services. "It is a lot easier to close it than it is to open it," he said.

Ross of the California Endowment, which has helped fund the new facility, said he witnessed years of "political jockeying and incompetence" around the old hospital. He said that's different now, and that he was optimistic about the caliber of the hospital's leadership. But he added that he would like to see a "different sense of urgency."

Despite the timeline, some community members and medical providers said they are encouraged by the ongoing construction.

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